

433.11

A7I

AN INFORMATIONAL BOOKLET

FOR ALL MONTANA

WHEAT BUYERS AND LENDERS

From The

MONTANA WHEAT RESEARCH AND MARKETING COMMITTEE

MONTANA WHEAT RESEARCH AND MARKETING ACT 1967

"An act to create a division of Wheat Research and Marketing in the Montana Department of Agriculture to conduct research into all phases of wheat culture, production, marketing and use; levying an assessment of two and one-half mills (¼-cent) per bushel of wheat on the grower to cover the expense of research and the administration of this act; providing for an effective date, August 20, 1967."

OCLC 41781642 WF



FOREWORD

The Montana Wheat Research and Marketing Act becomes effective August 20, 1967. Briefly, its objective is to solve production problems and to promote better quality, new uses, new markets and expand present uses and markets for Montana wheat.

To finance this program, the law provides for the assessment of $\frac{1}{4}$ -cent per bushel on wheat sold in Montana. This collection is to be made by the "first purchaser."

You, therefore, become an extremely important part of the operation of the Montana Wheat Research and Marketing Committee.

The committee has conferred with individual grain merchandisers and has a representative of the grain trade serving as an ex-officio member of the committee. As a result, the procedures and forms required for implementation of the new law have been simplified and held to a minimum.

This is a new effort intended to benefit all of us involved in the wheat industry in Montana. New to you, new to the growers, and new to this committee.

We ask for your consideration and cooperation in our initial efforts and pledge the same to you in regard to any difficulties that have not been anticipated. Should you have any questions or suggestions, at any time, do not hesitate to bring them to the attention of the Montana Wheat Research and Marketing Committee or any of its members and you will receive prompt attention.

Voting Members:

NORRIS HANFORD, Fort Benton
Chairman

V. J. THUESEN, Dagmar
Vice Chairman

GEO. A. SKARDA, Denton

GLENN MOORE, Willard

LLYD MOSDAL, Rapelje

JACK E. LANG, Malta

HAROLD C. NELSON, Cut Bank

Ex-Officio Members:

C. LOWELL PURDY, Helena
Commissioner
Montana Dept. of Agriculture

DR. J. A. ASLESON, Bozeman
Dean of Agriculture
Montana State University

RALPH K. WELCH, Great Falls
Atwood-Larson Co.
Grain Trade Representative

It is the purpose of this booklet to explain for those who purchase or make loans on wheat in Montana their responsibilities under the law and to inform them of procedures established, forms to be used, and remittance to be made for compliance with the Montana Wheat Research and Marketing Act of 1967.

FORMS:

NO. 1—WAIVER FOR NON-PARTICIPANT

This is the only new form which will be issued to grain buyers and lenders in connection with implementation of the bushelage assessment on wheat in Montana.

The form will be provided in triplicate, numbered, printed on self-copying paper by the Montana Wheat Research and Marketing Committee. As imprinted on the form, the first copy attaches to and remains with the purchaser's or lender's record of the transaction; the second copy is to be submitted to the Montana Department of Agriculture, and the third copy is to be retained in the book at the point of purchase or loan. Books of waiver forms will be issued to users by numbered sequence and are not to be transferred nor interchanged by separate buying or lending firms or agencies.

This form comes into use only if the seller or borrower advises the buyer or lender that he wishes to decline payment of the assessment under the right extended to him in the portion of the law that says: " . . . unless a grower or his agent at the time of transaction shall request in writing that no assessment be made."

The form is self-explanatory and calls for a minimum amount of information on the transaction for purposes of (1) possible audit, and (2) to provide justification for the buyer or lender in accounting for all bushelage handled in making his monthly report and remittance to the Montana Department of Agriculture.

NO. 2—(no new form required)

For compliance with the section of the law that requires the purchaser or lender to give an invoice to the grower, the Montana Wheat Research and Marketing Committee has approved use by grain buyers and lenders of your regular check or draft stub, final settlement vouchers, or other accounts of sale commonly in use in the state. The information required to be shown on this form is (a) the name and address of the grower and seller, (b) the name and address of the purchaser or lender, (c) the number of bushels of wheat sold, mortgaged or pledged, (d) the

date of the purchase, mortgage or pledge and the amount of assessment collected and remitted to the commissioner of agriculture.

If no assessment is collected, the word "waived" must be entered on the stub, settlement or account of sale on each transaction to indicate that a waiver was signed by the seller or borrower.

If the material you are using now does not contain an appropriate place to enter the information required, including the amount of assessment or the word "waived," you may write it in on your present form or you may want to use a rubber stamp reading, "Amount Wheat Assessment Deducted \$.....," until you have new materials printed and it would be convenient to add such a line, if you desired, to the imprinted matter your firm or agency utilizes.

In the case of Commodity Credit Corporation price support loans, the producer's copy of his loan or delivery document, which will show the amount of assessment collected or that the assessment was waived, will serve as the producer's invoice. Such document will be the producer's note (Form CCC-677 or CCC-678) in the case of a loan and the commodity delivery notice (Form CCC-691) in the case of an overdelivery on a farm storage loan or delivery and purchase of a quantity not previously covered by a loan. The assessment collected or the word "waived" will be indicated in the space provided for "Excise Tax" on the above forms.

NO. 3—(no new form required)

By agreement of the Montana Wheat Research and Marketing Committee and the Montana Department of Agriculture, additional information to be required on the "Monthly Grain Dealer and Public Warehouseman Report" will provide compliance with the portion of the law calling for a monthly sworn statement of the number of bushels of wheat purchased or otherwise transferred during the preceding calendar month. Actual remittance for the total assessments collected during the month will accompany this form.

Similarly, this same requirement will be considered fulfilled by the monthly remittance and list supplied by the Kansas City Agricultural Stabilization and Conservation Service Commodity Office for wheat assessments collected through CCC price support loans, as provided in the "Memorandum of Understanding Between Montana Wheat Research and Marketing Committee and Commodity Credit Corporation."

MISCELLANY:

Duplications. Because by law the assessment is levied against him, the grower or his agent is the party actually liable for payment and the purchaser or lender is responsible primarily only as a collector. Thus, it is the burden of the seller or borrower to indicate his previous payment of the assessment or signing of a waiver.

The assessment should be collected or waived in all cases where there is not clear evidence before a buyer or lender that the assessment was paid or waived previously through a "first purchaser." In case errors should occur in which a double assessment is made, the seller or borrower should be instructed to request refund directly from the Montana Wheat Research and Marketing Committee. If the error should involve duplication of waiver on the same wheat, proper accounting and clarification will be the responsibility of the Montana Wheat Research and Marketing Committee.

Purchasers or lenders can indicate such prior assessment or waiver by showing the amount (in case of assessment) and followed by the initials CCC, or by "waived" CCC (in case of waiver). This can be indicated in the same place on the check or draft stub, final settlement voucher, or other account of sale as entries where actual assessment or the word "waived" would have appeared.

Buyers should be careful to observe the need for additional assessment or waiver on all CCC wheat transactions because of overdelivery. County ASC offices will be instructed to provide maximum cooperation in helping buyers to determine actual numbers of bushels of wheat previously assessed or waived in individual cases.

Truckers. When a trucker buys wheat from a grower or his agent, it is the trucker's responsibility under the law to collect the assessment or obtain a signed waiver and remit accordingly to the Montana Department of Agriculture. Those who purchase wheat from such truckers are not responsible directly for collection of the assessment or obtaining waiver, but buyers should be certain the trucker has in fact purchased the wheat from a grower or his agent and the trucker is not the person who produced the wheat.

Barter. When wheat is delivered and credited to the account of a grower or his agent for purchase of mixed feeds and other commodities, such transactions really are sales of the wheat delivered. In these cases, the buyer must collect the assessment or obtain waiver (by the number of bushels) for the amount credited to the grower or his agent and remit to the Montana Department of Agriculture in the same manner

as if the sale had been made for cash. If the grower or his agent delivers the wheat in exchange for other wheat of equal bushelage and no sale of the wheat is involved, the assessment or waiver is not required.

Placard. A "notice" has been prepared in the form of a poster stating clearly the section of the law levying the wheat assessment and providing for non-participation. Copies will be made available to all buyers and lenders to post, if they desire, at the point of wheat sales and loans.

Materials. Additional waiver forms, information booklets, placards or other materials used in implementation of the law, may be obtained by request from: Wheat Research and Marketing Division, Montana Department of Agriculture, Capitol Annex Building, Helena, Mont. 59601.

You may find it necessary from time to time to refer to the content of the law. Here is a review of some of the pertinent sections of the law as taken from the Revised Codes of Montana 1947 (1967 Supplement), Chapter 29—Wheat Research and Marketing.

THE LAW PROVIDES:

There is hereby levied an annual assessment of two and one-half mills ($\frac{1}{4}$ -cent) per bushel upon all wheat grown in the state of Montana, and sold through commercial channels beginning August 20, 1967. The assessment is hereby levied and imposed on each grower of wheat in the state of Montana, unless a grower or his agent at the time of transaction shall request in writing that no assessment be made. (No. 1 under FORMS:)

In the case of sale of wheat, the assessment shall be collected at the time of any sale of wheat by a grower, and shall be collected by the first purchaser of wheat from the grower at the time of each settlement for wheat purchased.

In the case of a pledge or mortgage of wheat as security for a loan under any federal price support program, the assessment shall be collected by deducting the amount thereof from the proceeds of such loan at the time the loan is made by the agency or person making the loan.

The assessment levied under the provisions of this act, shall be deducted and collected as provided by this act, whether such wheat is stored in this or any other state. The assessment shall attach to each transaction, but no grower shall be subject to assessment more than once . . . the assessment being imposed and attaching on the initial sale, pledge, mortgage or other transaction in which the wheat

grower parts with title to the wheat, or creates some interest therein in a pledgee, mortgagee or other person.

The purchaser of the wheat at the time of settlement therefor on sale, or the pledgee or mortgagee or other lender at the time of its loan or advance, shall make and deliver separate invoices for each purchase to the grower. (No. 2 under FORMS:) Such invoices shall be on forms approved by the administrative committee showing (a) the name and address of the grower and seller, (b) the name and address of the purchaser or the lender, (c) the number of bushels of wheat sold, mortgaged or pledged, (d) the date of the purchase, mortgage or pledge and the amount of assessment collected and remitted to the commissioner of agriculture.

The purchaser, mortgagee, or pledgee shall deliver to and have on file with the Wheat Research and Marketing Division of the Department of Agriculture, on forms prescribed by the division by the twentieth (20th) day of each calendar month following any calendar month in which purchaser shall purchase wheat of a grower or in which a lender makes any mortgage on wheat of a grower beginning on August 20, 1967, a sworn statement of the number of bushels of wheat purchased in Montana or the number of bushels mortgaged or pledged, or otherwise transferred or liened as security for a loan, during the preceding calendar month. (No. 3 under FORMS:) At the time the sworn statement is filed, the purchaser or lender shall pay and remit to the commissioner the assessment provided for in this act for deposit in the wheat research and marketing account in the revolving fund.

DEFINED BY THE LAW:

"Grower" means any landowner personally engaged in growing wheat, a tenant of the landowner personally engaged in growing wheat, or both the owner and tenant jointly; and includes a person, partnership, association, corporation, cooperative, trust, sharecropper, and any and all other business units, devices and arrangements.

"First purchaser" means any person, public or private corporation, association, or partnership buying, accepting for shipment, or otherwise acquiring the property in or to wheat from a grower, and shall include a mortgagee, pledgee, lienor, or other person, public or private, having a claim against the grower, where the actual or constructive possession of such wheat is taken as part payment or in satisfaction of such mortgage, pledge, lien, or claim.

"Commercial channels" means the sale of wheat for any use, when sold to any commercial buyer, dealer, processor, cooperative, or to any person, public or private, who resells any wheat or product produced from wheat.

"Sale" includes any pledge or mortgage of wheat, after harvest, to any person, public or private.

WHEAT ASSESSMENT TABLE

Bushels	Assessment	Bushels	Assessment	Bushels	Assessment
1	\$.0025	20	\$.05	200	\$.50
2	.005	30	.075	300	.75
3	.0075	40	.10	400	1.00
4	.01	50	.125	500	1.25
5	.0125	60	.15	600	1.50
6	.015	70	.175	700	1.75
7	.0175	80	.20	800	2.00
8	.02	90	.225	900	2.25
9	.0225	100	.25	1000	2.50
10	.025				

For Example: Using the table, a transaction of 1,564 bushels could be computed—

1,000 bu. = \$2.50

500 bu. = 1.25

60 bu. = .15

4 bu. = .01

Totals 1,564 bu. = \$3.91 (assessment)

Assessments also may be computed by multiplying the number of bushels involved in the transaction by \$.0025 (1/4-cent).

NOTE: Drop fractions of bushels and cents.

WHEAT RESEARCH AND MARKETING DIVISION
MONTANA DEPARTMENT OF AGRICULTURE
CAPITOL ANNEX BUILDING
HELENA, MONTANA 59601